

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF SOUTH CAROLINA

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U.S. BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA

IN RE:

MacLaura Hall Partners, LLC

Debtor.

Chapter 11

Case No. 01-12648-B

TO: ALL CREDITORS AND PARTIES IN INTEREST

**NOTICE AND APPLICATION FOR SALE OF PROPERTY
FREE AND CLEAR OF LIENS, ENCUMBRANCES AND OTHER INTERESTS
PURSUANT TO 11 U.S.C. §363(b)(1) and (f)**

YOU ARE HEREBY NOTIFIED that the Debtor-in Possession ("Debtor") seeks approval of the sale of the Debtor's assets described in Exhibit A to the Agreement to Purchase and Sale, which is attached hereto, free and clear of all liens, encumbrances, and interests according to the terms and conditions stated below and in the attached Agreement.

TAKE FURTHER NOTICE that any response, return and/or objection to this application, should be filed with the Clerk of the Bankruptcy Court within five (5) business days of the below-scheduled hearing and a copy simultaneously served on all parties in interest.

TAKE FURTHER NOTICE that the Court will conduct a hearing on April 22, 2002 at 9:00 a.m. at the United States Bankruptcy Court, 1100 Laurel Street Columbia, South Carolina. No further notice of this hearing will be given.

TYPE OF SALE: Public.

PROPERTY TO BE SOLD: Debtor's real property as described in Exhibit A to the Agreement of Purchase and Sale. The property shall be sold as is, where is, unconditionally and with all faults.

The purchase and sale contemplated hereunder shall be contingent upon the Bankruptcy Court for the District of South Carolina entering any and all orders that may be necessary to effect the transactions contemplated by this Agreement. Such court orders shall indicate that the sale and conveyance of the Property to the Purchasers is free and clear of liens, encumbrances and interests pursuant to 11 U.S.C. Sections 363(b) and (f).

SALES PRICE: \$2,500,000.00 ("Purchase Price").

21/22

Any party may make a competing bid, but bids must be made pursuant to certain sales procedures as set forth more fully below in the Sales Procedures section of this notice. It is the intent of the Debtor that any party making a competing bid shall be required to have its bid be consistent with the terms of this Notice.

APPRAISED VALUE: Debtor does not have an appraisal for the assets.

BUYER: Legg Mason Real Estate Services Real Estate Advisers, Inc. is the Buyer.

PLACE AND TIME OF SALE: Closing will occur as soon as possible after Court approval with a projected closing date of April ____, 2002, at a location and time mutually convenient to the parties.

SALES AGENT/AUCTIONEER/BROKER: None

COMPENSATION TO SALES AGENT/AUCTIONEER/BROKER: N/A

ESTIMATED TRUSTEE'S COMMISSION ON SALE: None

LIENS/MORTGAGES/SECURITY INTERESTS ENCUMBERING PROPERTY: The lien of Carolina First Bank, Mark Chary and Mark Gupta fully encumber all assets being sold, and such liens will attach to the net sales proceeds.

DEBTOR'S EXEMPTION: None

PROCEEDS ESTIMATED TO BE PAID TO ESTATE: \$2,500,000, minus any closing costs and taxes due and owing on the assets.

SALES PROCEDURES:

(a) Any proposals from any persons or entity(ies) other than Buyer to purchase the assets shall (A) be made in writing; (B) contain the same essential terms and conditions as the Agreement, other than the identity of the Buyer and the amount of the purchase price; (C) exceed the Purchase Price by at least One Hundred Fifty Thousand and no/100 (\$150,000) Dollars; (D) contain, as an earnest money deposit, certified funds equaling 10% of the proposal; (D) include evidence satisfactory to Seller of the financial ability of the person or entity submitting the proposal to consummate the purchase for cash; and (E) be delivered to Seller and Buyer no later than the close of business of the second business day preceding the above-scheduled hearing on this Application.

(b) Providing that, upon receipt of any proposal that conforms to Section (a) above, the Buyer shall have the unconditional right to submit an overbid proposal by delivering to Seller no later than the beginning of the auction hearing an amended Agreement in which the Buyer's amended purchase price exceeds such proposal by a minimum of Fifty Thousand Dollars and no/100

(\$50,000). However, any higher offers specified in such amended Agreement itself shall be subject to the Seller's acceptance of a still higher and better offer submitted during the Auction in compliance with this Section; provided, however, that such higher and better offer shall equal the sum of: (i) the purchase price under the amended Agreement; plus (ii) an additional amount of at least \$50,000 (a "Yet Higher Offer"). In the event of a Yet Higher Offer, the process set forth in the immediately preceding sentence shall continue, with Buyer having the continuing right to submit an overbid proposal, unless and until such time as the Buyer or any other offeror elects not to make a further bid. In the event that any other person or entity obtains the assets other than due to a breach of this Agreement by Buyer, Buyer shall be entitled to an administrative claim in the Bankruptcy Case as reimbursement of Buyer's reasonable expenses up to \$100,000, subject to Court approval ("Reimbursement Fee"). This Reimbursement Fee shall serve as reimbursement for Buyer's expenses in entering into this Agreement, and for the benefit to Seller that this Agreement created in attracting other bids over and above the Purchase Price, which benefit Seller acknowledges. To obtain approval by the Court of the Reimbursement Fee, the Buyer must have (a) been outbid at the sale by a third-party and (b) submitted to the Court and served upon creditors an application for reimbursement of expenses.

(c) Any successful bidder at the auction shall be required to pay at the auction in certified funds, an earnest money deposit equal to 10% of the successful bid. As such, in order to ensure that a bidder's offer is accepted, bidders shall bring to the auction certified funds in an amount equal to 10% of the highest bid they are willing to make at the auction.

(d) Seller will request the Court to approve a "back up" bid, if one is received. This "back up" bid will be consummated by the parties without the necessity of obtaining another order from this Court if the successful bidder is unable to close within a reasonable period of time after the Court enters its order approving the sale of the assets.

Debtor is informed and believes that it would be in the best interest of the estate to sell said property by public sale, and such a sale has been proposed in the Debtor's Plan of Reorganization and amendments thereto. The Court may consider additional offers at the hearing held on this notice and application for sale. The Court may order at any hearing that the property be sold to another party on equivalent or more favorable terms.

The above-described sale is pursuant to the terms of the Debtor's Plan of Reorganization. Pursuant to 11 U.S.C. §1146(c), the transfer of property under a confirmed plan, may not be taxed under any law imposing a stamp tax or similar tax.

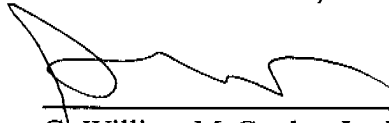
The Debtor may seek appropriate sanctions or other similar relief against any party filing a spurious objection to this notice.

WHEREFORE, Debtor requests the Court issue an order authorizing sale of said property and such other and further relief as may be proper.

**ROBINSON BARTON MCCARTHY
& CALLOWAY, P. A.**

Service Date: March, 2002

Columbia, South Carolina
March 22, 2002



Gl William McCarthy, Jr., District Court I.D.#2762
1715 Pickens Street (29201)
Post Office Box 12287
Columbia, South Carolina 29211-2287
(803) 256-6400
Attorney for Debtor

Address of Bankruptcy Court:

J. Bratton Davis United States Bankruptcy Courthouse
Post Office Box 1448
Columbia, South Carolina 29202

AGREEMENT OF PURCHASE AND SALE

BETWEEN

***MACLAURA HALL PARTNERS, LLC
(SELLER)***

AND

***LMRES REAL ESTATE ADVISERS, INC.
(BUYER)***

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AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE (this "Agreement"), dated as of the ____ day of _____, 2002, by and between MACLAURA HALL PARTNERS, LLC, a _____ limited liability company, with an address at c/o Habit Corporation, 1995 Silvestone Drive, Atlanta, GA 30345 ("Seller") and LMRES REAL ESTATE ADVISERS, INC., a Pennsylvania corporation with an address at 1735 Market Street, 12th Floor, Philadelphia, Pennsylvania 19103-7501 ("Buyer" or "Purchaser");

WITNESSETH:

THAT, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer, intending to be legally bound, do hereby agree as follows:

ARTICLE 1 SALE OF THE PROPERTY

1.1. Property.

1.1.1. As used herein, the terms "Property" and "Real Property" mean, collectively, the land and any improvements thereon consisting of a total of approximately 41.853 acres of land located on Ashley River Road in the city of Charleston, County of Charleston, South Carolina (the Property is more particularly described in Exhibit A attached hereto and made a part hereof), together with all of Seller's right, title, and interest in and to all leases, tenements, hereditaments, appurtenances, beneficial easements and rights of way in any way appertaining, belonging, or incident thereto, all of Seller's rights in adjacent avenues, streets, and alleys, open or proposed, and all strips and gores, together with all modifications, substitutions, deletions, and additions thereto from and after the date hereof and through and including Closing (as defined in Section 5.5).

1.2. Sale and Purchase.

Subject to all of the terms and conditions hereof, Seller hereby agrees to sell to Purchaser, and Purchaser hereby agrees to purchase from Seller, the Real Property in fee simple.

1.3. Amount and Payment of Purchase Price.

Subject to all the terms and conditions hereof, the purchase price ("Purchase Price") shall be Two Million Five Hundred Thousand Dollars (\$2,500,000.). The Purchase Price shall be paid as follows:

1.3.1. Within five (5) days after the "Effective Date" (as defined in Section 2.1 hereof), Buyer will deposit with the Escrow Agent, pursuant to Article 8 hereof, funds in the amount of One Hundred and Twenty-five Thousand Dollars (\$125,000.). The term "Deposit" shall mean all sums deposited by Buyer with the Escrow Agent hereunder. The Deposit shall be credited against the Purchase Price at Closing. Except as otherwise provided in this Agreement, the entire Deposit shall be non refundable after the expiration of the Evaluation Period.

1.3.2. The balance of the Purchase Price (being the full amount thereof less the amount of the Deposit) shall be paid by Buyer at Closing by wire transfer of immediately available funds to the order of Seller at Closing.

ARTICLE 2

EVALUATION PERIOD; ACTIONS PRIOR TO CLOSING

2.1. Evaluation Period; Tests.

The Evaluation Period shall be a period commencing on the "Effective Date" (as hereinafter defined) and expiring on the thirtieth (30th) date thereafter. The term "Effective Date" shall mean the date of this Agreement (which shall be the date upon which both Buyer and Seller have executed this Agreement). During the Evaluation Period, the Buyer may make and conduct any and all investigations (including but not limited to investigations of the matters pertaining to the Property which are disclosed, by reference or otherwise, in this Agreement and its Exhibits), tests, engineering evaluations, economic feasibility evaluations, design evaluations, review of all financial and property-related information, review of Seller's books and records pertaining to the Property, review of City and County tax, building code and zoning records pertaining to the Property, conducting investigations as to the feasibility of obtaining the "Required Approvals" (as defined in Section 4.1.9 hereof), including making applications therefor, and any other tests, studies, or evaluations which Buyer may, in its sole discretion, deem necessary or desirable in order to evaluate the Property, and the suitability of the Property for Buyer's purposes. In the event that Buyer shall, in its sole discretion, determine that the Property is suitable for Buyer's purposes, then Buyer may, by giving written notice ("Notice to Proceed") to Seller at any time prior to the expiration of the Evaluation Period, elect to proceed with this Agreement. All studies and tests made or conducted by or for Buyer pursuant to this Section 2.1 shall be at Buyer's sole cost and expense and shall be subject to the provisions of Section 2.1.1. In the event that Closing does not occur under this Agreement for any reason other than Seller's default, then, notwithstanding any other provision of this Agreement purporting to terminate all rights and obligations hereunder, all data and material, including plans, specifications, surveys, title commitments, engineering studies and drawings, surveys, sketches, test results, contracts and agreements and any leases relating to the Property delivered by Seller to Buyer shall, at Seller's request, be returned by Buyer to Seller.

If, on or prior to the date of expiration of the Evaluation Period, Buyer shall either fail to give Seller Notice to Proceed, or shall fail to give Seller written notice of its election to terminate this Agreement, then Buyer shall be deemed to have terminated this Agreement pursuant to this Section 2.1 whereupon the entire Deposit shall be immediately returned to Buyer, this Agreement shall become null and void and all parties hereto shall be released from all liability and responsibility hereunder.

2.1.1. Tests; Entry. Buyer shall have the right (subject to the provisions of this Section 2.1.1 and any other applicable provisions of this Agreement) from and after the Effective Date and until the end of the Evaluation Period (and until Closing if this Agreement is not terminated during the Evaluation Period);

- (a) To perform or cause to be performed such engineering, structural, mechanical, water, sanitary sewer, utility, topographic, market, financial, environmental,

infestation, and/or other studies, tests, or investigations as Buyer may, in its sole discretion, elect;

(b) To enter, or cause its agents or representatives to enter, upon the Property for the purpose of making any of the aforesaid tests, investigations and/or studies. Any exercise by Buyer of its rights to perform tests upon the Property pursuant to Section 2.1, this Section 2.1.1 or any other provision of this Agreement or to review the files and records of Seller shall only be taken or made upon reasonable prior notice to Seller. All tests, inspections, reports and investigations made by or for Buyer pursuant to Section 2.1, this Section 2.1.1 or any other provision of this Agreement shall be at Buyer's sole risk, cost and expense and all such tests, inspections, reports and investigations shall (to the extent conducted or made at the Property) be conducted or made with due regard to the rights, privileges and convenience of Seller. Buyer shall to the extent commercially reasonably restore the Property substantially to the condition it was in prior to such testing and investigation; and

(c) In connection with any entry upon the Property prior to Closing, Buyer shall (i) permit a representative of Seller to accompany Buyer and (ii) indemnify, defend and save and hold harmless Seller from any and all damage to the Property or injury to persons caused by such entry unless such injury was caused by Seller's or Sellers agents' or employees' gross negligence or willful misconduct.

2.1.2. Access to Information. During the Evaluation Period, (and until Closing if this Agreement is not terminated during the Evaluation Period) Buyer may review the "Information", consisting of records and files of Seller relating to the Property, including but not limited to, plans and specifications, if any, soil and environmental studies, those documents referenced in Section 2.1 hereof and such other files, materials, records, permits, certificates and such other items as are in Seller's possession. In addition to providing such documents and information as is otherwise provided under this Agreement, Seller shall supply copies of any leases, contracts, permits, notices, reports, surveys, title commitments and policies, and environmental engineering reports, tax bills, insurance policies and other documents as reasonably requested by Buyer which are in Seller's possession. If the Seller fails to provide Buyer with all of the Information within five (5) days after the Effective Date, then the Evaluation Period shall be extended for each day that all of the Information remains undelivered.

2.1.3. So long as this Agreement is in effect, Seller shall not permit the Property to be occupied or used for any purpose without Buyer's prior written consent.

2.2. Title.

Buyer shall, at Buyers' expense, satisfy itself as to the title to the Property in accordance with the following provisions:

2.2.1. Buyer shall cause Commonwealth Land Title Insurance Company, or such other company as shall be selected by Buyer (the "Title Insurer") to examine title to the Real Property and to issue to Buyer a written commitment for owner's title insurance (the "Title Commitment") based upon such examination. A copy of the Title Commitment shall be delivered to Buyer and Seller by the Title Insurer as soon as possible, but no later than thirty (30) days after the date hereof. If the Title Commitment shall disclose exceptions which would render title unmarketable or otherwise adversely affect the Property (hereinafter a "Title Defect"), then Buyer shall so notify Seller by written notice and objection to title to be delivered to Seller within ten (10) days

following delivery of the Title Commitment to Seller. Any Title Defect shown or revealed by the Title Commitment to which no timely objection is taken by Buyer in the manner and time aforesaid shall be deemed to have been waived by Buyer for purposes of this Agreement. Notwithstanding the foregoing provisions of this Section 2.2.1, Buyer acknowledges that the matters of title respecting the Real Property which are listed on Exhibit B hereto shall not be deemed Title Defects within the meaning of this Agreement. The matters of title so listed on Exhibit B hereto, together with any Title Defects which Buyer waives, or is deemed to have waived, pursuant to this Section 2.2.1 or 2.2.3 or any Title Defects created by Buyer, or which are permitted by the terms of this Agreement, or to which Buyer otherwise consents, are hereinafter collectively referred to as "Permitted Exceptions" and any Permitted Exceptions shall not be deemed to be Title Defects within the meaning of this Agreement.

2.2.2. If the Title Commitment shall reveal a Title Defect to which Buyer makes timely objection in the manner provided for in Section 2.2.1, then Seller shall have the obligation to cure any Title Defect that can be cured by the payment of money, and shall have the right (at Sellers' sole option but Seller shall have no obligation unless the Title Defect can be cured by the payment of money) to take such action as may be necessary, at Seller's expense, to correct any Title Defect which cannot be cured by the payment of money. If all such Title Defects timely objected to by Buyer are corrected and remedied by Seller prior to the expiration of the Evaluation Period, then this Agreement shall continue in full force and effect in the same manner and for all intents and purposes as if such Title Defect had never existed.

2.2.3. If the Title Commitment shall reveal a Title Defect to which Buyer makes timely objection in the manner provided for in Section 2.2.1, and Seller shall fail to remedy such Title Defect within the ten (10) business days after receipt of a timely objection thereto from Buyer pursuant to Section 2.2.1, then Buyer, at its election, shall either (the following rights shall be Buyer's sole and exclusive rights if Seller shall elect not to remedy or shall fail to remedy such Title Defects): (i) waive such uncured Title Defects, and accept such title as Seller is able to deliver subject to all uncured Title Defects, in which event the parties shall proceed with Closing under this Agreement in accordance with and subject to the terms and provisions hereof, without reduction in the Purchase Price, (ii) terminate this Agreement, in which event the Deposit shall be refunded to Buyer in full, and thereupon this Agreement shall be and become null and void and all parties hereto shall be released from all further liability hereunder, at law and in equity (except that the obligations of Buyer pursuant to the provisions of Section 2.1.1(c)(ii) shall continue in full force and effect) or (iii) if such Title Defect can be cured by the payment of money, then such Title Defect may be so cured by Buyer (but Buyer shall not be obligated to do so), and the cost thereof shall be deducted from the Purchase Price. If Buyer shall fail to deliver to Seller a written notice of waiver of its right to terminate this Agreement pursuant to clause (ii) or (iii) above (and a Notice to Proceed shall, unless otherwise indicated therein to the contrary, be deemed to be such a written notice of waiver), on or prior to the expiration of the Evaluation Period, then in such event Buyer shall be deemed to have elected to terminate this Agreement in accordance with clause (ii) above. Notwithstanding the foregoing, it shall be Seller's obligation to discharge at Closing (a) any liens and mortgages, or (b) other Title Defects imposed against the Property after the Effective Date without Buyer's written consent.

2.2.4. Seller shall execute such affidavits and other documents as the Title Insurer shall customarily and reasonably require to remove the standard exceptions (except the exception for real property taxes for years subsequent to the year in which Closing occurs which are not yet due and payable) in the owner's title policy issued to Buyer at Closing.

2.3. Current Survey.

Buyer shall, at Buyer's expense cause a duly licensed land surveyor to prepare a current ALTA as-built survey of the Real Property for Buyer. If the current survey obtained by Buyer pursuant to this Section 2.3 shows any material encroachments of any improvements upon, from, or onto the Real Property, or on or between any building set back line or a property line, other than those included as Permitted Exceptions, or any easements, gaps, gores or other adverse conditions not reflected on the Title Commitment said encroachments and other matters shall be deemed to be a Title Defect which, unless waived by Buyer in writing, must be cured by Seller prior to Closing. Seller has delivered to Buyer all existing survey information in Seller's possession prior to or simultaneously with execution of this Agreement by Seller.

2.4. Contracts.

Any Property maintenance contracts or other contracts relating to the Property and certificates confirming insurance coverage will be delivered to Buyer within five (5) days after the Effective Date. Buyer shall review such contracts during the Evaluation Period and, if Buyer gives Seller Notice to Proceed, Buyer will advise Seller which of such contracts must be terminated by Seller at or prior to Closing, as a condition of Closing. All such contracts which are not to be terminated at or prior to Closing, and all other contracts relating to the Property entered into after the date hereof with the prior written consent of Buyer (which consent Buyer agrees not to unreasonably withhold or delay, provided such contracts are terminable by Seller at any time for any reason on no more than 30 days prior written notice) are herein collectively referred to as the "Continuing Contracts." In no event shall Buyer be obligated to enter into or consent to any amendment, replacement or termination of a Continuing Contract after the Evaluation Period except on such terms as may be approved in writing by Buyer in advance. Seller agrees to indemnify, defend and hold Buyer harmless from all costs and expenses incurred by Buyer relating to any of the Contracts described in this Section 2.4. Seller agrees to terminate any Continuing Contracts upon Buyer's written request, prior to the Closing.

2.5. Conduct Pending Closing or Termination.

Prior to the earlier of Closing or the termination of this Agreement:

2.5.1. Conduct Not Permitted. Seller shall not engage in or permit or suffer any of the following acts to occur:

- (a) Any sale, assignment, disposition, or encumbrance (including without limitation the creation of any easements) of any portion of the Real Property (except as otherwise expressly provided in this Agreement) without Buyer's prior written consent;
- (b) Any intentional action by Seller that would result in any of Seller's warranties and representations set forth in Article 3 not being and remaining true and correct as of Closing;
- (c) During the term of this Agreement, Seller shall not execute any lease for all or any portion of the Property or a material amendment or replacement, of any existing lease unless such execution, amendment or replacement, occurs with Buyer's prior written consent. Seller shall immediately notify Buyer of any such actions taken during the Evaluation Period, and Buyer shall have at least ten (10) business days to review any such proposed action. Any such proposed action taken without Buyer's prior written consent shall, at Buyer's option, give Buyer

the right either to terminate this Agreement and receive a return of the Deposit, plus out of pocket expenses not to exceed \$10,000. or to declare such action null and void and to take all necessary legal action to enforce such declaration; and (d) Seller shall not execute any contracts relating to the operation and maintenance of the Property to the extent such contracts extend beyond Closing without the prior written consent of Buyer, which consent shall not be unreasonably withheld, so long as such contracts are terminable by Seller on no more than thirty (30) days prior written notice and Seller agrees in writing to terminate such contracts at Buyer's request. Seller shall immediately notify Buyer of any such proposed actions.

2.5.2. Seller's Covenants. Seller agrees that:

- (a) Seller shall promptly furnish to Buyer copies of any and all written notices that Seller receives from any governmental entity with respect to the Property;
- (b) Seller shall maintain for Seller's own benefit its existing insurance coverage on the Property (and Buyer shall have the right at its cost and expense to maintain such additional insurance with respect to the Property and its interest therein as Buyer may deem to be necessary or appropriate);
- (c) Seller shall not settle any fire or casualty loss claims, or agree to any award or payment in a Condemnation (as defined in Section 7.2), without obtaining Buyer's prior written consent in each case; provided, however, that Buyer's prior written consent shall not be required, and Seller shall be free to make any settlement or agreement it deems necessary or appropriate from and after the date, if any, on which the parties exercise (or are deemed to have exercised) their option pursuant to Sections 7.2 to terminate this Agreement for or on account of any such casualty or Condemnation; and further provided that Seller may make a partial settlement to obtain insurance proceeds (and may use such proceeds) to perform interim repairs or renovations to the Property as required by any lease, by any governmental authority or as required to prevent further damage or deterioration to the Property;
- (d) Seller shall comply in all material respects with any contractual obligations with respect to the Property, shall pay all bills with respect to the Property, and shall comply with its obligations under any leases; provided, however, that this Section 2.5.2(d) shall not be deemed or construed to require Seller to pay or discharge any disputed bill or obligation so long as Seller actively disputes the same. Notwithstanding the foregoing, such matters shall be paid, discharged or otherwise handled in a manner satisfactory to Buyer at Closing, in the event failure to pay or discharge such bill or obligation would adversely affect the Property or the operation thereof;
- (e) Seller shall continue to operate and maintain the Property in good condition including making all necessary repairs and replacements; and
- (f) At Closing there shall be no contracts pertaining to the Property other than the Continuing Contracts which will be assigned to Buyer.

2.6. Condition of Title.

At Closing, title to the Real Property shall be as set forth in the Title Commitment except for Title Defects.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1. Representations by Seller.

As of the date hereof, Seller hereby represents and warrants to Buyer as follows:

3.1.1. Seller is authorized to enter into this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the conveyance of the Property by Seller pursuant to this Agreement, do not otherwise require the consent of any person, agency, entity or, as applicable, partner or shareholder not a party to this Agreement.

3.1.2. Seller has granted no option or right of first refusal (which remain outstanding) or otherwise made any commitment (which remains outstanding) to any person other than Buyer to sell, transfer, or dispose of the Property or any interest therein. Between the date hereof and Closing or the termination hereof, whichever is earlier, Seller shall not intentionally cause, suffer, or permit the status of title to the Property to be adversely affected (except to the extent expressly permitted herein).

3.1.3. This Agreement does not violate the terms of any other contract or instrument to which Seller is a party or by which Seller is bound.

3.1.4. Except for the Continuing Contracts, if any, or as otherwise disclosed to Buyer, Seller is not a party to any written or oral contract, and otherwise has no liability, actual or contingent, for the employment of any person as an employee with respect to the Property.

3.1.5. Seller is not a "foreign person" as the term is defined in §1445 of the Internal Revenue Code of 1986, as amended or replaced (the "Code") and Seller agrees to execute an affidavit to that effect at Closing.

3.1.6. Seller has complied with its covenants and obligations under Section 2.5 hereof.

3.1.7. There are no actions or proceedings pending or to the best of Seller's actual knowledge, threatened to place in bankruptcy or appoint a receiver for Seller other than Case #01-12648B, Chapter 11 bankruptcy proceeding filed by Seller on November 26, 2001 in U.S. Bankruptcy Court, District of South Carolina, and foreclosure proceedings commenced by Carolina First Bank on mortgages encumbering the Property.

3.1.8. Property. With respect to the Property and the ownership thereof, Seller represents and warrants that:

(a) There are no tenancies, leases or occupancies affecting the Property or persons in possession of any part thereof except as shown on Exhibit C hereto. Such lease shall, at Buyer's request be terminated at or prior to Closing.

(b) Seller is not a party to, and has no knowledge of, any of the following with respect to the Property: (i) leases (ii) signage agreements, (iii) licenses granting rights to parties other than Buyer or Seller, or (iv) any similar commitments or agreements whatsoever incidental to the management, operation or leasing of the Property, written or oral, except the Permitted Exceptions.

(c) There is no litigation, claim, audit, action or proceeding pending or to the best of Seller's knowledge, threatened before or by any court, public board or body or governmental or administrative agency or instrumentality against Seller or against Seller by any tenant or by any other person or entity in any manner affecting the Property, except for claims by third parties for personal injuries at the Property

which are being defended by Seller's insurance company. As to such claims, Seller hereby agrees to protect, defend, indemnify and save Buyer and Buyer's permitted assignee harmless from any and all claims, demands, liabilities and damages, arising therefrom. Seller's obligations under this subsection shall survive Closing.

(d) There is no delinquent property tax, levy or assessment against the Property.

(e) There is no pending or, to the best of Seller's knowledge, threatened condemnation proceeding against the Property or any portion thereof, nor have Seller or its agents received any written notice of any public request, plans or proposals for changes in road grade, access or other municipal improvements that may affect the Property or result in a tax, levy or assessment against the Property.

(f) Seller has received no written notice of any alleged violation of any fire, zoning, applicable comprehensive plans, building, health or environmental laws, regulations or rulings, whether federal, state or local, or of any other alleged violations of law which affect the Property.

(g) To the best of Seller's knowledge, (i) no hazardous waste or hazardous substances have, or may have been, manufactured, stored or located upon or under any portion of the Property; (ii) the Property has never been used to treat, store or dispose of waste materials, hazardous substances, asbestos or PCBs; (iii) there has not been and is no leaking or drainage of waste materials or hazardous substances into the ground water beneath or adjacent to the Property; and (iv) there have not been and are no buried or semi-buried or otherwise placed tanks, storage vessels, drums or containers of any kind manufactured, stored or located on the Property.

(h) Further, Seller warrants that, it has not manufactured, stored or located any hazardous waste or hazardous substances upon or under any portion of the Property.

(i) Seller has received no written warning notice, written violation notice, written complaint (judicial or administrative) or any other formal or informal written notice alleging that the Property is not in compliance with any statute, ordinance, rule or regulation pertaining to hazardous waste or substances. For purposes of this paragraph, the term "hazardous waste" includes hazardous waste as defined in the Resource Conservation and Recovery Act, as amended U.S.C. §6921, et seq., and regulations adopted pursuant thereto, "hazardous substances" shall include hazardous substances (as that term is defined in the Comprehensive Environmental Responsibility, Compensation & Liability Act, 45 U.S.C. Paragraph 960, et seq. or any applicable state laws), hazardous materials (as defined in the Hazardous Materials Transportation Act, 49 U.S.C. Paragraph 1801 et seq. or any applicable state law) or petroleum or petroleum related products. The provisions of this Section 3.1 shall survive Closing hereunder for a period of twelve (12) months.

3.2. Representations by Buyer.

As of the date hereof, Buyer hereby represents and warrants to Seller as follows:

3.2.1. Buyer is fully competent and authorized to enter into this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this

Agreement and the consummation of the transactions contemplated hereby by Buyer do not require the consent of any person, agency or entity not a party to this Agreement.

3.2.2. There are no actions or proceedings pending or threatened to liquidate, reorganize, arrange, place in bankruptcy, appoint a receiver for, or dissolve Buyer.

3.2.3. This Agreement does not violate the terms of any other contract or instrument to which Buyer is a party or by which Buyer is bound.

ARTICLE 4 CONDITIONS OF CLOSING

4.1. Conditions Precedent to the Obligations of Buyer.

In addition to any other conditions precedent stated in this Agreement, the obligations of Buyer to purchase and make payment for the Property pursuant to the provisions of this Agreement shall be subject to the following conditions:

4.1.1. All of the representations and warranties made by Seller hereunder shall be true and correct on the Effective Date and as of Closing but, except as hereafter provided, shall not survive Closing. Those representations and warranties of Seller contained in Sections 3.1.8(g), (h) and (i) and shall survive Closing for a period of twenty-four (24) months thereafter.

4.1.2. There will not be pending or threatened as of Closing any litigation, proceeding or investigation, including but not limited to, any bankruptcy, arrangement, reorganization, insolvency or foreclosure proceedings, except the pending chapter 11 bankruptcy petition of the Seller and the previously referenced foreclosure action of Carolina First (but excluding any condemnation which shall be governed by Article 7 hereof): (i) affecting the Property; or (ii) against or involving Seller that would affect Seller's title to the Property.

4.1.3. Between the date of this Agreement and Closing, Seller shall have complied with the obligations and covenants contained in Sections 2.5 hereof.

4.1.4. As of Closing, the status of title of the Property shall be as set forth in Section 2.6 hereof.

4.1.5. The holders of all mortgages encumbering the Property shall have executed and delivered letters to the Escrow Agent and the Buyer stating the amounts necessary to pay off and then satisfy such mortgages as of Closing; including prepayment premiums and other charges, all of which shall be Seller's responsibility to pay.

4.1.6. Seller shall execute and deliver all documents and shall take all other actions required of Seller pursuant to Article 5.

4.1.7. Buyer shall not have discovered or become aware of any environmental liability associated with or arising out of the use, operation, or ownership of the Property.

4.1.8. All contracts which are not Continuing Contracts shall have been terminated at or prior to Closing and written evidence thereof submitted to Buyer.

4.1.9. This contract is made, subject to Bankruptcy Court approval, which shall be expeditiously sought. The Buyer and its counsel must be satisfied that an Order approving Sale Free and Clear of Liens has been obtained from the Bankruptcy Court.

4.1.10. Required Approvals.

4.1.10.1 Buyer shall have confirmed that the Property is zoned DR-9 Diverse Residential, allowing the development of no less than 300 units and that no amendments to the

City and County of Charleston zoning ordinances are required to permit a plan acceptable in form to Buyer.

4.1.10.2 Issuance of letters from utility companies and applicable municipalities indicating the availability to Property of electric, public water, sewer, gas and electric service sufficient to support Buyer's contemplated development of the Property.

4.1.10.3 All costs of obtaining the Required Approvals shall be paid for by Buyer.

4.1.10.4 If the Required Approvals are not obtained by the Outside Date and Buyer has not extended the Closing pursuant to 5.1 below, Seller shall have the right to terminate this Agreement and Buyer will receive the Deposit, and neither party shall thereafter have any further rights against or obligations to each other.

4.1.10.5 For the purposes hereof, an approval, permit or agreement shall be "nonappealable" if any appeal period has expired without an appeal having been taken or, if an appeal has been taken, such appeal has been determined in Buyer's favor and any subsequent appeal period has expired without a further appeal having been taken.

4.2. Conditions Precedent to the Obligations of Seller.

In addition to any other conditions precedent stated in this Agreement, the obligations of Seller to sell the Property pursuant to the provisions of this Agreement shall be subject to the following conditions:

4.2.1. The representations and warranties made by Buyer in Section 3.2 shall be true and correct on and as of Closing but shall not survive Closing.

4.2.2. There will not be pending any litigation, proceeding, or investigation, including but not limited to, any bankruptcy, arrangement, reorganization, or insolvency proceeding against or involving Buyer that would materially and adversely affect Buyer's ability to consummate Closing.

4.2.3. Buyer shall pay the Purchase Price, shall execute and deliver all documents, and shall take all other actions required of Buyer pursuant to Article 5.

4.2.4. Seller has obtained all necessary approvals and consents for this Agreement and the Closing from the Bankruptcy Court, the Bankruptcy Trustee and all applicable creditors committees, or Seller has been discharged from Bankruptcy. Seller agrees to use diligent efforts to obtain the foregoing approvals, and Seller shall file a motion with the Bankruptcy Court to approve this Agreement within ten (10) days after the Effective Date.

ARTICLE 5 CLOSING

5.1. Time and Place.

Unless this Agreement is extended as provided below, or by mutual written agreement between the parties, or sooner terminated, as provided herein, Buyer and Seller agree to make full settlement on the earlier to occur of (a) thirty (30) days after written notice from Buyer to Seller of Buyer's intention to proceed to Closing, or (b) fifteen (15) days following the expiration of the Evaluation Period. Closing shall be held at the offices of the Escrow Agent or at such other time, place and date as may be agreed upon by Buyer and Seller in their respective sole discretion.

Notwithstanding this Section 5.1, if the conditions set forth in Section 4.1 are not satisfied by the Closing, Buyer may, at its sole option, terminate this Agreement in which case

the Buyer will receive the return of the Deposit and neither Buyer nor Seller shall have any further liability under this Agreement, except with respect to those provisions of this Agreement which expressly survive termination. Notwithstanding anything in this Agreement to the contrary, Buyer may waive any or all of such conditions precedent and complete Closing.

5.2. Payment of Purchase Price.

At Closing, Escrow Agent shall deliver the Deposit to Seller, and Buyer shall pay the balance of the Purchase Price as provided in Section 1.3.2.

5.3. Transfer of Title to Real Property.

At Closing, and upon payment of the Purchase Price and full performance by Buyer, Seller shall convey to Buyer, by warranty deed, title to the Real Property in fee simple absolute, subject to the Permitted Exceptions, which shall include:

- (a) Easements, restrictions and other matters appearing on the Survey, so long as such easements, restrictions and other matters do not adversely affect the use of the Property as contemplated hereunder; and
- (b) Real property taxes for the year of closing and subsequent years, provided that none of such taxes are due and payable and prorated as elsewhere provided herein.

At Closing, Title to the Property shall be good and marketable and free and clear of all liens, encumbrances, easements, restrictions and encroachments of any nature, except Permitted Exceptions and shall be insurable as such by the Title Insurer and regular rates pursuant to a current ALTA owner's policy.

5.4. Closing Documents.

The following documents shall be executed and/or delivered as of Closing:

5.4.1. Seller shall execute and deliver a warranty deed conveying the Real Property to Buyer. If the Buyer obtains a new or updated survey of the Real Property and the legal description set forth in Purchaser's survey differs from the legal description set forth in Exhibit A hereto, Seller shall also execute and deliver a quitclaim deed containing a legal description based upon Purchaser's survey.

5.4.2. Seller and Buyer shall approve a closing statement reflecting costs and adjustments set forth in Sections 6.1 and 6.2.

5.4.3. Seller shall execute and deliver to Buyer an affidavit confirming that Seller is not a "foreign person" under §1445 of the Code.

5.4.4. Seller's Affidavit in form requested by the Title Insurer.

5.4.5. Any other document contemplated by this Agreement or reasonably requested by Buyer in connection with the Closing.

5.5. Definition of Closing.

All of the actions described in Sections 5.3 through 5.4 shall be deemed to have been taken simultaneously, none of such actions shall be deemed to have been taken unconditionally until all of such actions have been fully performed, and all of such actions are collectively referred to herein as "Closing."

5.6. Possession.

Seller shall deliver possession of and occupancy to the Property to Buyer as of Closing, subject to all leases consented to by Buyer, all Permitted Exceptions, and any other matters permitted by this Agreement or created or otherwise consented to in writing by Buyer. The Property shall be free and clear of trash and debris, vacant, unoccupied, and subject to no rights on any party to occupy the same other than pursuant to Permitted Exceptions.

ARTICLE 6
CLOSING COSTS AND ADJUSTMENTS

6.1. Closing Costs.

Except as hereinafter provided, Buyer shall pay all costs of Closing, including the cost of any financing obtained by Buyer and the cost of the Title Commitment and the premium for an Owner's title policy to be issued to Buyer. Each party shall bear the fees of its respective attorneys and advisors. Realty transfer taxes and documentary stamp taxes shall be divided equally between Buyer and Seller. Seller shall pay the recording fees for recording the deed. Buyer shall pay all other recording fees.

6.2. Closing Adjustments.

6.2.1. Except as hereinafter specifically provided to the contrary; all current operating expenses, all real estate taxes, (on the basis of the actual fiscal years for which such taxes are assessed), other taxes and assessments (whether general or special); and all utilities, water and sewer charges shall be adjusted and prorated as of Closing. Buyer will credit Seller at Closing with any utility deposits (plus any interest accrued thereon) which are not refunded directly to Seller. Any credit due to Buyer pursuant to this subsection 6.2.1 shall be applied against the Purchase Price; and any credit due to Seller pursuant to this Section 6.2.1 shall be paid by Buyer to Seller at Closing as an addition to the Purchase Price in the manner of payment set forth in Section 1.3.2(b). The obligations of Seller under this Paragraph 6.2 shall survive the Closing.

6.2.2. Seller and Buyer acknowledge and agree that it may not be possible to effect a final reconciliation of all income and expense items that are to be adjusted until after Closing. The parties agree to cooperate in good faith in effecting such a final reconciliation and each party shall promptly pay (or reimburse the other party for) any expenses item that is chargeable to the other party and shall promptly remit any income item to the other party if entitled thereto. Seller covenants that it shall retain the financial ability to make such adjustments.

6.2.3. Seller shall use its best efforts to arrange for the rendition of final bills by the utility companies involved as of Closing, but in the event such final bills cannot be rendered or obtained by Closing, final adjustments shall be made within sixty (60) days after Closing.

6.3. Municipal Improvements Relating to the Property.

Provided Closing is completed, Buyer shall pay all assessments against the Property or any part thereof for municipal improvements, the construction of which shall be either ordered, commenced or completed after the date of this Agreement, or have been requested by Buyer or will benefit the Buyer. Seller shall pay such assessments so ordered or commenced before the date of this Agreement.

6.4. Survival of Closing.

The obligations of Seller and Buyer in this Article 6. shall survive Closing.

**ARTICLE 7
CASUALTY AND CONDEMNATION**

7.1. Casualty.

7.1.1. Subject to the provisions of this Article 7, risk of loss or damage to the Real Property from fire or other casualty shall remain on Seller until Closing.

7.1.2. Prior to Closing, Seller shall carry and maintain full replacement cost fire and casualty insurance covering any improvements on the Property, and shall, at Buyer's request, provide Buyer with evidence of such coverages. In the event of any fire or casualty loss prior to Closing, Seller shall notify Buyer. At Closing, any proceeds of such insurance not then applied toward restoration of the improvements shall be paid to, or the rights thereto assigned, to Buyer.

7.2. Condemnation.

If, on or prior to the Closing, all or any part of the Property which Buyer reasonably determines will interfere with the Buyer's intended use of the Property is subjected to a bona fide threat of condemnation by a body having the power of eminent domain or is taken by eminent domain or condemnation (or sale in lieu thereof), or if Seller has received notice that any condemnation action or proceeding with respect to the Property is contemplated by a body having the power of eminent domain, Seller shall give Buyer immediate written notice of such threatened or contemplated condemnation or of such taking or sale, and Buyer may by written notice to Seller given within thirty (30) days of the receipt of such notice from Seller, elect to cancel this Agreement. If Buyer chooses to cancel this Agreement in accordance with this Section 7.2, the rights, duties, obligations, and liabilities of the parties hereunder shall immediately terminate and be of no further force and effect and Buyer receive a return of Deposit. If Buyer does not elect to cancel this Agreement in accordance herewith, this Agreement shall remain in full force and effect and the sale of the Property contemplated by this Agreement, less any interest taken by eminent domain or condemnation, or sale in lieu thereof, shall be effected with no further adjustment and without reduction of the Purchase Price, and at the Closing, Seller shall assign, transfer, and set over to Buyer all of the right, title, and interest of Seller in and to any awards that have been or that may thereafter be made for such taking. At such time as all or a part of the Property is subjected to a bona fide threat of condemnation and Buyer shall not have elected to terminate this Agreement as hereinabove provided, Buyer shall be permitted to participate in the proceedings as if Buyer were a party to the action. Seller shall not settle or agree to any award or payment pursuant to condemnation, eminent domain, or sale in lieu thereof without obtaining Buyer's prior written consent thereto in each case.

**ARTICLE 8
ESCROW AGENT**

8.1. Appointment of Escrow Agent.

The parties hereby designate Commonwealth Land Title Insurance Company (a subsidiary of Land America Financial Group, Inc.) to serve as escrow agent hereunder (herein "Escrow Agent"). Escrow Agent shall serve as such hereunder without remuneration.

8.2. Duties of Escrow Agent.

The Escrow Agent shall have no liability to any party on account of Escrow Agent's failure to disburse the Deposit if a dispute shall have arisen with respect to the propriety of such disbursement; and, in the event of any dispute as to who is entitled to receive the Deposit the Escrow Agent may disburse it in accordance with the final order of US Bankruptcy Court for the District of South Carolina, or may deposit the Deposit with such a court pending a final decision of such controversy (and any reasonable attorney's fees or legal costs paid or incurred by Escrow Agent shall be out-of-pocket disbursements for which the parties shall be liable to reimburse Escrow Agent). The parties hereto further expressly agree that Escrow Agent shall not be liable for failure of the depository and shall be otherwise liable only in the event of Escrow Agent's gross negligence or willful misconduct.

8.3. Survival of Termination.

Escrow Agent's obligations to disburse or refund the Deposit, the obligation of the parties with respect to the reimbursement of Escrow Agent's out-of-pocket expenses and the other provisions of this ARTICLE 8 shall survive any termination of this Agreement.

ARTICLE 9 MISCELLANEOUS

9.1. Brokerage.

Seller and Buyer represent and warrant to each other that except neither has dealt with a broker in connection with this transaction. Seller and Buyer each warrant and represent to the other that, except as hereafter provided, no agent, broker, or finder has acted for the warranting party in connection with this Agreement or is entitled to compensation on account of the transactions contemplated hereby. The obligations of the parties pursuant to this Section 9.1 shall survive Closing hereof and any termination hereof.

9.2. Remedies Upon Default and Failure of Conditions Precedent to Closing.

9.2.1. Buyer and Seller agree that it would be impracticable and difficult to ascertain the actual damages which would be suffered by Seller if Buyer wrongfully fails to consummate the purchase and sale contemplated herein. Buyer and Seller have carefully considered the loss to Seller occasioned by taking the Property off the market as a consequence of the negotiation and execution of this Agreement, the Seller's performance hereunder, and the other damages, general and special, which Buyer and Seller realize and recognize Seller will sustain but which cannot be calculated with certainty. Based on all those considerations, Buyer and Seller have agreed that the damage to Seller from an uncured breach by Buyer of its obligation to complete Closing would reasonably be expected to equal the amount of the Deposit. Accordingly, if all conditions precedent to Buyer's obligation to consummate the transactions herein contemplated have been waived by Buyer or satisfied, but Buyer does not timely complete Closing, and if Buyer fails to

cure such breach or default within ten (10) days after written notice thereof from Seller, the Seller shall as its sole and exclusive remedy, be entitled to be paid, and to retain, the Deposit as full and complete liquidated damages. Thereafter, this Agreement shall terminate, and the parties hereto shall have no further rights or obligations to each other under this Agreement, either at law or in equity or otherwise, except that the obligations of Buyer pursuant to the provisions of Section 2.1.1(c)(ii) shall continue in full force and effect.

9.2.2. If all conditions precedent to Seller's obligations to consummate the transactions herein contemplated have been waived by Seller or satisfied and if Buyer has materially performed its covenants and obligations and is not otherwise in material default hereunder, but Seller has breached its covenants, warranties, representations, agreements, undertakings, or obligations or is otherwise in default hereunder and, as a result, is unable to consummate the purchase and sale contemplated herein at Closing and if Seller fails to cure such breach or default within ten (10) days after notice thereof from Buyer, or if all conditions precedent to Buyer's obligation to consummate the transactions herein contemplated have not been waived by Buyer or satisfied, then the sole and exclusive remedies of Buyer shall be either to terminate this Agreement by giving Seller written notice of termination, in which event the Deposit shall be forthwith returned to Buyer, and the parties hereto shall have no further rights or obligations to each other under this Agreement, either at law or in equity or otherwise, or to bring an action against Seller for specific performance of its obligations hereunder to sell and convey the Property to Buyer as required hereunder.

Without limiting any other remedies which Buyer may have hereunder, or at law or equity, if, at Closing, the Property is subject to a lien of an ascertainable amount which Seller does not satisfy, then Buyer shall have the right to deduct such portion of the Purchase Price as is necessary to pay such lien.

In the event of any litigation regarding this Agreement, the non-prevailing party shall pay the reasonable attorney's fees, court costs and other reasonable out-of-pocket costs of litigation incurred by the prevailing party.

9.3. Indemnification.

9.3.1. Buyer and Seller each agree to indemnify and hold the other harmless from and against all claims, demands, debts, dues, liabilities, actions, causes of action, costs, and expenses (including reasonable attorneys' fees) that may be asserted against or paid or incurred by the indemnified party for, on account of, or in connection with any breach by the indemnifying party of its payment obligations and/or warranties and representations contained in Section 9.1.

9.3.2. The indemnity contained in this Section 9.3 shall survive Closing or any sooner termination of this Agreement.

9.4. Amendment.

This Agreement may not be modified, amended, or discharged, and no provision hereof may be waived, except by an instrument in writing and duly executed by the party against whom enforcement of the amendment, modification, discharge, or waiver is sought.

9.5. Notices.

All notices, waivers, approvals, consents, demands, requests, or other communications (collectively, "Notices") which may be or are required to be given, served, or sent by any party hereto to the other party hereto pursuant to, or in connection with, this Agreement shall be in writing and shall be hand delivered, sent by Federal Express, or similar overnight service, or mailed by first class, registered, or certified mail, return receipt requested, or transmitted by telegram, telex, or telecopy, addressed as follows:

If to Seller: Mr. Frank Habit, Managing Member
MacLaura Hall Partners, LLC
c/o Habit Corporation
1995 Silvastone Drive
Atlanta, GA 30345
Fax # _____

If to Buyer: LMRES Real Estate Advisers, Inc.
1735 Market Street, 12th Floor
Philadelphia, PA 19103-7502
Attn: Richard K. Layman
Fax # 215-496-3079

With a copy to: John S. Randolph, Jr., Esq.
259 N. Radnor-Chester Road
Suite 200
Radnor, Pennsylvania 19087-5218
Fax # 610-964-0830

If to Escrow Agent: Commonwealth Land Title Insurance Co.
1700 Market St., Suite 2110
Philadelphia, PA 19103
Attn: Alan D. Keiser
Fax #215-665-3430

Each party may designate by Notice in writing, at least five (5) business days before its effective date, a new address or addressee to which any Notice may thereafter be given, served, or sent. Each Notice which is given, served, or sent in the manner specified in this Section 9.5 shall be deemed to have been given and received as of the date it is delivered or as of the date on which delivery is refused or unclaimed by the addressee upon presentation. Notices may be given, served or sent by registered or certified mail, by express mail delivery or by facsimile transmission.

9.6. Assignment.

Buyer shall have the right to assign this Agreement without Seller's consent to an entity in which either it or an affiliate of Buyer is a general partner or managing member. Otherwise, Buyer shall have no right to assign this Agreement without Seller's prior written consent.

9.7. Parties Bound.

All terms, conditions, covenants, warranties, representations, agreements, undertakings, and obligations hereunder shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors, and assigns.

9.8. Waiver.

Neither the waiver by either of the parties hereto of a breach of or a default under any of the provisions of this Agreement, nor the failure of either of the parties, on one or more occasions, to enforce any of the provisions of this Agreement or to exercise any right or privilege hereunder shall thereafter be construed as a waiver of any subsequent breach or default of a similar nature, or as a waiver of any of such provisions, rights, or privileges hereunder.

9.9. Construction.

Buyer and Seller acknowledge that they both participated equally in the negotiation and drafting of this Agreement and that, accordingly, no court construing this Agreement shall construe it more stringently against one of such parties than against the other.

9.10. Entire Agreement.

This Agreement, including the Exhibits which are an integral part hereof, constitutes the entire agreement between Seller and Buyer with respect to the transactions contemplated herein, and it supersedes all prior oral or written agreements, commitments, or understandings with respect to the matters provided for herein. No agreements, representations, or warranties have been made by Buyer or Seller except as specifically set forth in this Agreement, and in particular, no oral or written expression, or non-verbal conduct of a person intended by such person as a substitute for oral or written expression, will be attributed to Buyer or Seller as an agreement or a warranty or representation, except as specifically set forth in this Agreement. The provisions of this Section 9.11 shall survive Closing or a termination of this Agreement.

9.11. Pronouns.

All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or entity may require.

9.12. Headings.

Article and Section headings contained in this Agreement are inserted for convenience of reference only, shall not be deemed to be a part of this Agreement for any purpose, and shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof.

9.13. Applicable Law.

This Agreement shall be given effect and construed by application of the law of the State of South Carolina without regard to principles of conflicts of laws.

9.14. Covenant Against Recording.

This Agreement shall not be recorded in any public record, and neither party shall cause to be recorded a notice of the existence of this Agreement, or any other writing asserting an interest in the Property prior to the Closing. Any recordation in violation of this Section 9.16 shall relieve the non-recording party from any further obligation, and shall entitle that party to resort to the remedies provided in Section 9.2.

9.15. Computation of Time.

In computing any time for giving Notices or other period of time prescribed or allowed by any provision of this Agreement, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, Sunday, or a legal holiday in Radnor, Pennsylvania in which event the period runs until the end of the next day which is not a Saturday, Sunday or legal holiday. Unless otherwise specified herein, all notice or other periods expire as of 5:00 p.m., eastern standard time on the last day of the notice or other period.

9.16. Counterparts.

This Agreement may be executed in counterparts by the parties, each of which shall be deemed an original document, and all of which together shall be considered a single document.

9.17. Confidentiality.

Seller agrees to keep all information concerning the Buyer and its proposed acquisition and development of the Property strictly confidential.

9.18. No Other Contracts.

During the Evaluation Period, and thereafter while this Agreement remains in effect, Seller shall not entertain any other offers for the purchase of the Property or any portion thereof, and shall not negotiate or market the sale of the Property to any third party.

9.19. Waiver of Tender.

The tender of an executed Deed by Seller and the tender by Buyer of the Purchase Price at Closing are hereby mutually waived; but nothing herein contained shall be construed as a waiver of Seller's obligation to deliver the Deed and/or of the concurrent obligation of Buyer to pay the Purchase Price at Closing.

9.20. Time is of the Essence.

Time is of the essence of the performance of all obligations under this Agreement.

9.21. Subsequent Development.

Contemporaneously with the Buyer's purchase of the Property, Buyer and Mr. Frank Habit or their respective nominees intend to enter into a mutually satisfactory development agreement wherein the Buyer intends to retain Frank Habit, or an affiliate, to manage the development and marketing of property.

9.22. Conservation Easement.

Seller will retain the right to place a conservation easement on the property for the unbuilt development density of 300 units less the density developed by Buyer, not to exceed 220 units, however such easement shall not impair Buyer's development plans. Buyer will not unreasonably withhold approval of such conservation easement.

IN WITNESS WHEREOF, Seller and Buyer have caused this Agreement to be executed and delivered as of the date first above written.

SELLER: MACLAURA HALL PARTNERS, LLC

By: 

Bill Bosley

BUYER: LMRES REAL ESTATE ADVISERS, INC.

By: 

Vice President

ESCROW AGENT: COMMONWEALTH LAND TITLE
INSURANCE COMPANY

By: _____

EXHIBIT "A"

DESCRIPTION OF LAND

21.95 Acres High Ground

20.00 Acres Marshland, a portion of MacLaura Hall Subdivision

1 Ashley River Road

Charleston, South Carolina 29414

EXHIBIT "B"

PERMITTED EXCEPTIONS

1. Taxes and assessments for the year 2002 and subsequent years.